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2006-394-C

COPY

December 13, 2006

Posted: led

Dept: SA

Date: 12/14/06

Time: 12:15

Mr. Charles L. A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
Synergy Business Park, The Saluda Building  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: Piedmont Rural Telephone Cooperative, Inc.  
Alternative Regulation Plan Pursuant to S.C. Code Ann. § 58-9-576

Dear Mr. Terreni:

Enclosed for filing on behalf of Piedmont Rural Telephone Cooperative, Inc. ("Piedmont Rural"), please find an original and ten (10) copies of an Alternative Regulation Plan.

On August 30, 2006, the Commission approved a local interconnection agreement between Piedmont Rural and Charter Fiberlink SC – CCO, LLC ("Charter"). Pursuant to S.C. Code Ann. § 58-9-576(A), any LEC may elect the alternative regulation plan described in S.C. Code Ann. § 58-9-576(B) if the Commission has approved a local interconnection agreement in which the LEC is a participant with an entity determined by the Commission not to be affiliated with the LEC. An Affidavit of Randal Odom is being filed with this Plan to certify that Piedmont Rural is not affiliated with Charter.

Therefore, having met the statutory requirement for election of alternative regulation, Piedmont Rural hereby elects to have its rates, terms and conditions determined pursuant to the plan described in S.C. Code Ann. § 58-9-576(B), as set forth in the attached Alternative Regulation Plan, effective January 12, 2007.

In addition to the Alternative Regulation Plan and Affidavit of Randal Odom, we are also enclosing a proposed Notice of Filing for the Commission's convenience.

Please clock in a copy of this filing and return it with our courier.

Thank you for your assistance.

Very truly yours,

*Margaret M. Fox*

Margaret M. Fox

Enclosures

cc: C. Dukes Scott, Esquire  
Randal Odom

RECEIVED

DEC 14 2006

PSC SC  
DOCKETING DEPT.

**PIEDMONT RURAL TELEPHONE COOPERATIVE, INC.  
ALTERNATIVE REGULATION PLAN  
PURSUANT TO S.C. CODE ANN. § 58-9-576**

Filed December 13, 2006  
Effective January 12, 2007

1. Introduction

Pursuant to S.C. Code Ann. § 58-9-576(A), any local exchange carrier ("LEC") may elect to have the rates, terms, and conditions of its services determined pursuant to the alternative regulation plan described in S.C. Code Ann. § 58-9-576(B), provided the Public Service Commission of South Carolina ("Commission") has approved a local interconnection agreement in which the LEC is a participant with an entity determined by the Commission not to be affiliated with the LEC. The Commission has approved such an agreement for Piedmont Rural Telephone Cooperative, Inc. ("Piedmont Rural"), and Piedmont Rural hereby elects to have the rates, terms, and conditions of its services determined pursuant to the alternative regulation plan described herein (the "Plan"), which conforms with the plan described in S.C. Code Ann. § 58-9-576(B).

In its regular agenda session on August 30, 2006, the Commission approved an interconnection agreement between Piedmont Rural and Charter Fiberlink SC – CCO, LLC ("Charter"). An Affidavit of Randall Odom is being filed with this Plan to certify that Piedmont Rural is not affiliated with Charter.

The Plan described herein is in lieu of other forms of regulation including, but not limited to, rate of return or rate base monitoring or regulation.

2. Effective Date

The effective date of the Plan is January 12, 2007, which is not sooner than thirty days after filing with the Commission notice of election of the Plan. The Plan will apply to all local services offered by Piedmont Rural that are regulated by the Commission.

3. The Plan

- a. As of December 13, 2006, the date of notice of election of the Plan, existing rates, terms, and conditions for the services provided by Piedmont Rural contained in Piedmont Rural's then-existing tariffs and contracts are considered just and reasonable.
- b. Piedmont Rural is a "small LEC" for purposes of S.C. Code Ann. § 58-9-576(B)(3). S.C. Code Ann. § 58-9-10(14) defines "small LEC" to mean a "rural telephone company" as defined in the federal Telecommunications Act of 1996.

- c. Although Piedmont Rural is a “small LEC” for purposes of S.C. Code Ann. § 58-9-576(B)(3), Piedmont Rural’s flat-rated local exchange services for residential and single-line business customers are currently priced at the statewide average local service rates for those services, weighted by number of access lines, as shown in Piedmont Rural’s local service tariff on file with the Commission. Therefore, the requirements of S.C. Code Ann. § 58-9-576(B)(3) and (4) are not waived for Piedmont Rural, and Piedmont Rural’s residential and single-line business rates shall be frozen for a period of two years from the date of election of this Alternative Regulation Plan and, after the expiration of the two-year period, may be adjusted on an annual basis pursuant to an inflation-based index.
- d. Piedmont Rural will set rates for all other services on a basis that does not unreasonably discriminate between similarly situated customers. All such rates are subject to a complaint process for abuse of market position in accordance with Commission rules and procedures.
- e. Except when exempted by law, Piedmont Rural will file tariffs for price changes or new services with respect to its local exchange services (including residential and single-line business services) that set out the terms and conditions of the services and the rates for such services. Tariffs will be presumed valid and become effective seven days after filing for price decreases and fourteen days after filing for price increases and new services.
- f. As provided for in S.C. Code Ann. § 58-9-576(B), the Plan applies in lieu of rate of return or rate base regulation. Thus, the procedures set forth above for changes in rates are to be used in lieu of traditional rate-of-return procedures for determining rates, terms, and conditions for service, as found in S.C. Code Ann. §§ 58-9-510 through –570 and in 26 Code Ann. Regs. 103-834(A)(3).

**{PIEDMONT RURAL TELEPHONE COOPERATIVE, INC., PROPOSED  
NOTICE OF FILING}**

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**DOCKETING DEPARTMENT**

**NOTICE OF FILING**

**DOCKET NO. 2006-\_\_\_\_-C**

Piedmont Rural Telephone Cooperative, Inc. ("Piedmont Rural") has filed with the Public Service Commission of South Carolina ("Commission") a request to have its rates, terms and conditions determined pursuant to the plan described in S.C. Code Ann. § 58-9-576(B). Pursuant to S.C. Code Ann. § 58-9-576(A), any local exchange carrier ("LEC") may elect to have the rates, terms and conditions of its services determined pursuant to the alternative regulation plan described in S.C. Code Ann. § 58-9-576(B), provided the Commission has approved a local interconnection agreement in which the LEC is a participant with an entity determined by the Commission not to be affiliated with the LEC. The Commission has approved such an agreement on August 30, 2006, between Piedmont Rural and Charter Fiberlink SC – CCO, LLC. Piedmont Rural elects to have its rates, terms, and conditions determined pursuant to the Plan described in S.C. Code Ann. § 58-9-576(B) as set forth in its Alternative Regulation Plan, effective date January 12, 2007.

A copy of the Application is on file in the offices of the Commission, 101 Executive Center Drive, Columbia, South Carolina 29210, the Commission's web site at [www.psc.sc.gov](http://www.psc.sc.gov), and is available from Margaret M. Fox, Esquire, Post Office Box 11390, Columbia, South Carolina 29211. Interested persons may contact the Commission or counsel for Piedmont Rural for additional information concerning the Plan. ***Please refer to Docket No. 2006-\_\_\_\_-C.***

Persons seeking information about the Commission's Procedures should contact the Commission at (803) 896-5100.

Public Service Commission of South Carolina  
Attn: Docketing Department  
Post Office Drawer 11649  
Columbia, South Carolina 29211

\_\_\_\_\_, 2006